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May 15, 2026

By email: [comments@pcaobus.org](mailto:comments@pcaobus.org)

Ms. Phoebe W. Brown  
Office of the Secretary  
PCAOB  
1666 K Street NW  
Washington, DC 20006-2803

Re: PCAOB No. 2026-001

Dear Ms. Brown:

Crowe LLP is pleased to submit these comments to the Public Company Accounting Oversight Board (PCAOB or the Board) in response to its request for input regarding the PCAOB's strategic priorities. We commend the Board for offering all stakeholders and interested parties the ability to provide input as the Board develops its 2026-2030 Strategic Plan.

#### Overview

We strongly support Chairman Logothetis' focus on "back to basics" and the fundamentals of audit quality, investor protection, and responsible oversight. As he noted, the audit environment has changed substantially since the PCAOB was established. Development of the 2026-2030 Strategic Plan presents an opportunity to evaluate whether the PCAOB's programs and priorities are well-suited to the current environment and the evolving needs of investors and the capital markets, and to make sure they are well-positioned for the future. We believe the PCAOB functions best when its programs are grounded in its core mission, informed by stakeholder input, and operate in a manner that is efficient, effective, and reflects the diverse population of registered firms and issuers that those firms audit.

We are committed to performing high quality audits to support investor confidence and the integrity of the capital markets. As the environment changes, we embrace our responsibility to maintain a continuous focus on audit quality.

We believe a diverse audit market, including the participation of mid-market firms, supports issuer and broker and dealer choice and contributes to the resilience of the broader audit ecosystem. As the PCAOB develops and executes on its 2026-2030 Strategic Plan, we encourage the Board to consider how proposed programs and initiatives may affect firms of varying sizes and structures and the continued competitiveness and resilience of the audit market.

We appreciate the opportunity to provide these comments to the PCAOB as we all work to enhance audit quality for the benefit of investors. We provide comments below related to standard setting, the inspections program, and stakeholder engagement. While our comments are organized by programmatic area, we want to emphasize the importance of coordination and integration of the PCAOB's programs. An effective feedback loop among standard setting, inspections, enforcement, and stakeholder outreach should actively inform the Board's strategic priorities and ongoing activities.

#### Standard Setting

As the Office of the Chief Auditor (OCA) and the Board consider the future standard-setting agenda, we encourage the Board to prioritize standard-setting projects where there is the greatest identified need and

where it is clear how standard setting would meet that need. The identification of need should be informed by the PCAOB's own data, including inspection results and recent enforcement actions, as well as information from other standard-setting bodies and stakeholder input. Standard setting should only be undertaken when there is a clearly defined deficiency or gap in existing standards and a standard-setting project, rather than guidance or targeted clarifying amendments to existing standards, is the necessary approach to improve audit quality.

We encourage the Board to carefully consider the standard-setting projects it undertakes, given the importance of maintaining an appropriate level of stability within the auditing standards framework. Stability enables firms to effectively operationalize new requirements, train personnel, and apply standards consistently in a manner that supports audit quality for the benefit of investors.

We also encourage the Board to consider the underlying cause of a perceived need for standard setting before embarking on a standard-setting project. Auditing standards address the responsibilities of the auditor; they should not be used as a mechanism to address the responsibilities of issuers. Where issues pertain to the responsibilities of both auditors and preparers, we encourage the PCAOB to collaborate with the Securities and Exchange Commission and other relevant regulators and standard setters to develop coordinated and complementary responses.

When developing a new auditing standard or amending an existing standard, we encourage the PCAOB to appropriately balance the clarity that may come from more prescriptive requirements with the benefits of a principles-based approach. We recognize that auditing standards must be sufficiently clear to support consistent application, inspection, and, where appropriate, enforcement; however, standards that are overly prescriptive can unintentionally encourage a checklist-oriented approach, limit the ability of auditors to apply professional judgment based on the facts and circumstances of an engagement, and reduce the long-term durability of the standards. This balance is particularly important as the PCAOB considers standard-setting activities related to new and emerging technologies, where detailed rules may become quickly outdated. A principles-based approach also supports standards that are risk-based and scalable to the nature and circumstances of the issuer or broker or dealer being audited.

With respect to international standards, we recommend the PCAOB conduct a thorough analysis of where substantive differences between the standards of the International Auditing and Assurance Standards Board (IAASB) and PCAOB currently exist. Having that analysis as a starting point can highlight where the largest differences exist and can inform a discussion about whether those differences are necessary or appropriate. We strongly encourage robust engagement with the IAASB on standard-setting initiatives as a means of achieving greater alignment on future standards and minimizing areas where the PCAOB may need to diverge from international standards. While minimizing differences between the international and PCAOB standards is a worthwhile goal for harmonizing auditing standards across jurisdictions, we encourage the Board to consider the potential costs associated with this alignment. We note that not all firms have a single methodology for both public and private company audits, or use IAASB standards as the basis for their methodologies. Any shift toward international standards may have a disproportionate impact on smaller firms, and the Board should factor that into its deliberations as it considers potential changes.

The formal consultation process within OCA that Chairman Logothetis noted in his remarks will be a key complement to the standard-setting program, and we commend the Board for undertaking this effort. This process will clarify OCA's role and formalize a clear and appropriate home for interpretive questions, giving firms an avenue to seek guidance directly from those responsible for the standards. We recommend this consultation process be designed to enable firms to seek OCA's feedback on interpretation or application of the auditing standards both during the audit process and if questions arise as part of an inspection. For the consultation program to have the greatest benefit to audit quality broadly, we encourage the Board and OCA staff to include a mechanism for clear communication of OCA's conclusion to both the firm and other relevant PCAOB offices and divisions. Without a formal record of that conclusion, the practical value of the consultation process will be limited.

We also commend the Board for initiating the Audit Practitioner Fellowship Program within OCA and encourage OCA to leverage the practical knowledge and experience of participants in the program in identifying projects for the standard-setting agenda as well as in developing standards. We also believe participants in the program will benefit from engaging in the standard-setting process from a different perspective and by deepening their knowledge of the PCAOB's auditing standards.

### Inspections

We support the Board's consideration of an inspection model that places greater emphasis on firms' quality control (QC) systems as a means of generating more meaningful insights for stakeholders and encourage the Board to move thoughtfully in this direction. In developing a QC-focused inspection approach, it needs to be designed with the full range of registered firms in mind. Firms differ in size, structure, and the nature of the engagements they perform, and those differences will be reflected in how firms have implemented the requirements of the QC standard. We encourage the Board to develop a thorough understanding of that range before launching a QC-focused inspection program, and to design an approach that appropriately reflects the diversity of the registered firm population.

When considering changes to inspection reporting, it is critical that the PCAOB engage with investors, audit committees, issuers, academics, and other stakeholders to understand what information would be most useful, how that information would be used, what format would be most useful for the information, and what potential unintended consequences exist to disclosing that information. Through that engagement, the PCAOB can develop a clear picture of what stakeholders most want to know and then evaluate the most effective means of providing it, while remaining attentive to the statutory limitations on firm-specific reporting, such as the non-public nature of QC criticisms. In addition to reconsidering the content and form of firm-specific inspection reports, we encourage the Board to consider the full range of communication vehicles available to it, including publications such as Spotlight documents, as a means of addressing stakeholder needs for information about the inspections program.

As part of considering changes to inspection reporting at the individual engagement level, we encourage the Board to consider how inspection findings are communicated. Providing more context around findings – without resorting to more technical language – can help stakeholders better understand the nature and significance of identified deficiencies. At the same time, the Board should carefully evaluate the signals sent by data or trends presented in inspection reports. Inspection reports note that the inspection results are not necessarily comparable over time or among firms. The PCAOB should consider those limitations when determining how comparative data or trends are presented and described to stakeholders.

### Stakeholder Engagement

We share the Chairman's view that the PCAOB functions best when it is informed by the perspectives of all participants in the financial reporting ecosystem – including investors, audit committees, issuers, academics, and auditors. The notice-and-comment process and advisory groups each play an important role in the PCAOB's engagement with stakeholders, and we encourage the Board to not only continue these activities but consider how these mechanisms can foster active dialogue rather than primarily serve as one-way communication. We encourage the Board to provide greater transparency into how stakeholder input is considered and incorporated into its decision-making processes. Closing the feedback loop in this way can strengthen confidence in the Board's activities and encourage active participation from a broad range of stakeholders.

We also encourage the Board to consider additional avenues for stakeholder engagement, including opportunities for a broad range of stakeholders to have direct interaction with the PCAOB Board and staff. Broadening access in this way should increase engagement and support a continuous dialogue in service of the PCAOB's mission. Sustained audit quality ultimately depends on the people who design, perform, and oversee audits. Engagement that fosters open dialogue and practical insights across stakeholders will support not only more effective oversight, but also the continued development of a strong profession.

As discussed above, we view the proposed OCA consultation program as an important avenue through which auditors can engage with the PCAOB on practice issues. In addition to our recommendation for clear communication of OCA's conclusion to both the firm and other relevant PCAOB offices and divisions, we also encourage the PCAOB to consider mechanisms for communicating consultation conclusions and emerging practice issues to the profession more broadly. A forum or process for sharing insights on recently completed consultations would benefit all registered firms and ultimately support audit quality more broadly.

Engaging with auditors during the implementation phase of a new standard is also particularly critical for effective implementation. This engagement can provide the PCAOB with timely information about challenges auditors are experiencing and allow the PCAOB to address those challenges before the effective date, so that the full benefits of a new standard are achieved from the outset. The approach used by the PCAOB in connection with implementation of the critical audit matter requirements of AS 3101, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*, is a model worth replicating. We also recommend that the PCAOB continue dialogue with relevant stakeholders after the implementation of new standards to assess whether the standards are meeting their intended benefits and whether there are any unintended consequences.

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We appreciate the opportunity to provide our perspectives on the Board's strategic priorities and would be pleased to discuss our comments with the Board or its staff. If you have any questions, please contact Matthew Schell, National Office Managing Partner, at [matthew.schell@crowe.com](mailto:matthew.schell@crowe.com) or Kyle Owens, Chief Auditor, at [kyle.owens@crowe.com](mailto:kyle.owens@crowe.com).

Sincerely,

/s/ Crowe LLP

Crowe LLP